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February 11, 2000

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FEB 11 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Time Warner Inc./AOL Time Warner Inc. Transfer of Control Applications

Dear Ms. Salas:

Transmitted herewith, on behalf of Time Warner Inc. ("Time Warner") and America Online, Inc. ("AOL"), are two copies of their applications for consent to the transfer of control of various FCC licenses held by subsidiaries and affiliates of Time Warner and by AOL in connection with the pending merger of Time Warner and AOL. The licenses covered by these applications are listed on Attachment 1 hereto. Concurrently herewith, the original and appropriate number of copies of each application, with accompanying filing fees (where required), are being filed in accordance with applicable Commission rules. Given our understanding that the Commission intends to treat these applications collectively as a docket proceeding, the two complete sets of applications are submitted herewith for distribution to the FCC Reference Room and Dockets Branch. The parties hereby certify that each application submitted herewith is an accurate copy of the original filing made through the Mellon Bank.¹ Copies of the date-stamped transmittal letters will be submitted upon receipt. Also transmitted herewith is the public interest showing for the Commission's consideration in connection with each of the affected license transfer applications.


No. of Copies rec'd 2
List ABCDE

¹One application, involving a station in the Aviation Services (Part 87), did not require a filing fee and was filed with the Wireless Telecommunications Bureau in Gettysburg, PA.

Ms. Magalie Roman Salas
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Questions concerning the licensee's or transferor's portion of the application on FCC Form 315 with respect to television broadcast station WTBS (TV), and various broadcast auxiliary licenses included therewith, should be directed to Arthur H. Harding of Fleischman and Walsh, L.L.P., 1400 16th Street, N.W. Suite 600, Washington, D.C., telephone (202) 939-7900. Questions concerning the licensee's or transferor's portion of all other applications should be directed to John R. Wilner, Bryan Cave L L P, 700 13th Street, N.W., Suite 700, Washington, D.C., telephone (202) 508-6041. Questions concerning AOL Time Warner Inc. should be directed to each of the above counsel and to Wayne D. Johnsen, Wiley Rein & Fielding, 1776 K Street, N.W., Washington, D.C., telephone (202) 429-7303.

Respectfully submitted,


Arthur H. Harding
Counsel for Time Warner Inc.

cc: Hon. William E. Kennard
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Hon. Michael K. Powell
Hon. Harold W. Furchtgott-Roth
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BEFORE THE
Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of)	
)	
Applications for Consent to the)	
Transfer of Control of Licenses)	
)	
Time Warner Inc.)	File No. _____
and)	
America Online, Inc.,)	
Transferors)	
)	
To)	
)	
AOL Time Warner Inc.,)	
Transferee)	

APPLICATIONS AND PUBLIC INTEREST STATEMENT

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February 11, 2000

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EXECUTIVE SUMMARY

The merger of America Online, Inc. ("AOL") and Time Warner Inc. ("Time Warner") should receive the Commission's enthusiastic and expeditious approval. Each company brings valuable resources and expertise to the table. AOL has built a business on making the Internet consumer-friendly, transforming the way individuals communicate, shop, invest, and learn. Time Warner is known for its high quality content and technologically advanced cable systems. Together, our two companies will hasten and enhance the broadband future, making real and immediate the promise of ready access to next-generation multimedia content and powerful e-commerce applications. As a result, consumers will have increased options for high-speed broadband Internet access and new means to receive new forms of content.

There can be no reasonable doubt that the marriage of AOL and Time Warner will advance the public interest. Not only is the AOL Time Warner Inc. ("AOL Time Warner") merger fully consistent with all FCC rules and policies, including the FCC media ownership and concentration rules, and thus requires no rule waivers, but the merger will have only pro-competitive effects.

While each company provides a multitude of services and products, they operate in largely separate spheres. Unlike other recent mergers, AOL and Time Warner simply do not compete to any appreciable extent. Where there are any overlaps -- as in the provision of certain Internet-related services -- the presence of thousands of other competitors and our commitment to ensuring multiple ISP entry assure that there is no risk of unilateral or coordinated anticompetitive conduct. Likewise, the merger changes nothing of relevance in terms of impact on the consumers of multichannel video programming service.

Notably, the vertical effects of the merger will be entirely positive. The merged company will commit to a policy of consumer choice among multiple ISPs available over broadband networks. Just as we expect that our services and products will be directly available to subscribers of other delivery platforms on a commercially reasonable basis, likewise we intend to offer competing service providers' services on our systems. The merger therefore will directly advance the Commission's stated goal of providing expanded consumer choice through marketplace forces.

Our driving vision is to make our content and services available to consumers through any and all means of access, including cable, DSL, satellite, and wireless. Nor will we deny our subscriber's ready access to content from other providers, an approach that has no place in today's Internet environment.

Simply put, there is no possibility that this merger could "frustrate or undermine [the Commission's] policies." There is consequently no need for the type of intensive inquiry that the Commission has undertaken with respect to certain other mergers that, in its view, raised substantial competitive issues within the Commission's regulatory concern. Nonetheless, in light of the immense attention already being given to this transaction, we discuss herein (in section III) the clear benefits resulting from the merger and explain (in section IV) why there is no conceivable risk to competition. Accordingly, under whatever standard is applied in assessing the public interest, the Commission should rapidly conclude that this application more than satisfies the requirements of the Communications Act.

PUBLIC INTEREST STATEMENT

This Public Interest Statement is being filed in connection with a series of applications seeking the consent of the Federal Communications Commission ("FCC" or "Commission") to the transfer of control of Commission authorizations held by (i) Time Warner Inc. ("Time Warner") and various of its subsidiaries and (ii) America Online, Inc. ("AOL") to AOL Time Warner Inc. ("AOL Time Warner").¹ As described more fully below, under the parties' merger agreement, AOL and Time Warner will each become subsidiaries of AOL Time Warner, a newly-formed company that will be owned by the shareholders of both companies. The AOL Time Warner merger is fully consistent with FCC rules and policies, including the FCC media ownership and concentration rules, and thus no rule waivers are necessary. Further, as demonstrated herein, the combined strengths of these companies will enable AOL Time Warner to build an integrated media and communications company capable of enhancing consumers' access to the broadest selection of high-quality content and interactive services.

I. DESCRIPTION OF THE PARTIES

As demonstrated below, the AOL Time Warner merger is not a horizontal merger involving a combination of entities each holding significant FCC licenses. Rather, this merger brings together two firms that operate in largely separate spheres.

¹ The applications, which cover FCC authorizations for broadcast facilities, community antenna relay service ("CARS") facilities, transmit/receive earth stations, wireless (including operational fixed and common carrier point-to-point microwave facilities), business radio stations, aviation services, as well International 214 authorizations, set forth the legal qualifications of AOL Time Warner Inc. See Attachment 1.

AOL: Founded in 1985, AOL is a worldwide provider of interactive services, Web brands, Internet technologies, and electronic commerce services. AOL has two major lines of business: Interactive Online Services and Enterprise Solutions.

AOL's Interactive Online Services business is comprised of the Interactive Services Group, the Interactive Properties Group and the AOL International Group. The Interactive Services Group develops and operates branded interactive services. AOL currently serves more than 23 million members worldwide through the Company's flagship AOL service (an Internet online service serving more than 21 million members) and CompuServe (another Internet online service serving more than two million customers). The Interactive Services Group also includes (i) AOL's Netscape Netcenter, an Internet portal serving 20 million registered users; (ii) the AOL.com Internet portal; and (iii) the Netscape Communicator client software, including the Netscape Navigator browser.

The Company's Interactive Properties Group consists of an array of branded properties that operate across multiple services and platforms, including: Digital City, Inc., a local content network and community guide on the Internet; ICQ, a communications portal providing instant communications as well as chat technology; MovieFone, Inc., a movie guide and ticketing service provided both through interactive telephony and online; and the company's Internet music brands, Spinner.com, Winamp and SHOUTcast, which provide online music services.

In addition, the AOL International Group oversees the AOL and CompuServe services and joint ventures outside the United States (including in Australia, Austria, Canada, France, Germany, Japan, the Netherlands, Sweden, and Switzerland), as well as the Netscape Online

service in the United Kingdom. Globally, members are able to access these services in more than 100 countries.

AOL's second major line of business, Enterprise Solutions, consists primarily of the Netscape Enterprise Group, which provides businesses with a range of software products, technical support, consulting and training services. These products and services enable businesses and users to share information, manage networks, and facilitate electronic commerce.

AOL also has entered into a number of ventures with other companies serving a broad range of Internet and related industries. For example, to accelerate the growth of electronic commerce, AOL entered into a strategic alliance with Sun Microsystems, Inc. to develop and market client software and network application and server software for electronic commerce, extended communities and connectivity. Similarly, AOL made a strategic investment in General Motors Corporation designed to enhance the ability of Hughes Electronics Corporation to develop and market integrated digital entertainment and Internet services through Hughes' DirecTV direct broadcast satellite service and DirecPC satellite-based broadband Internet delivery system, as well as to market AOL TV interactive television and AOL-Plus services. AOL also has made strategic investments in Internet-related companies such as Oxygen Media, iVillage, The Knot, Liberate Technologies, Multex, Net2Phone, Preview Travel and Talk.com.

Time Warner: Time Warner is a worldwide media and entertainment company. Time Warner's principal business objective is to create and distribute branded information and entertainment throughout the world. Time Warner classifies its business interests into the following fundamental areas:

- cable networks, consisting principally of interests in cable television programming, including WTBS Superstation, TNT, Cartoon Network, CNN News Group and Home Box Office;
- publishing, consisting principally of interests in magazine publishing and direct marketing, including Time, People, Sports Illustrated, Warner Books and Time Life Inc.;
- music, consisting principally of interests in recorded music and music publishing, including Warner Music Group and its labels Atlantic, Elektra, Rhino, Sire, Warner Bros. Records and Warner Music International;²
- filmed entertainment, consisting principally of interests in filmed entertainment, television production and television broadcasting, including Warner Bros., New Line Cinema and the WB Network;
- cable, consisting principally of interests in cable television systems, including Time Warner Cable; and
- digital media, consisting principally of interests in Internet-related and digital media businesses.

II. DESCRIPTION OF TRANSACTION

Pursuant to an Agreement and Plan of Merger ("Agreement") dated as of January 10, 2000, AOL and Time Warner plan to merge in a stock-for-stock transaction. AOL and Time Warner each will merge with subsidiaries of a newly formed holding company, AOL Time Warner. As a result of the mergers, both AOL and Time Warner will become wholly owned subsidiaries of AOL Time Warner. Upon consummation of the merger, the ultimate ownership and control of various entities holding FCC licenses will be transferred from Time Warner and

² On January 24, 2000, Time Warner and EMI Group plc announced that they had signed definitive agreements to combine their recorded music and music publishing businesses into a global joint venture to be owned equally by Time Warner and EMI Group. The eleven-member Warner EMI Music board of directors, controlled by Time Warner, will consist of six Time Warner designees and five EMI designees. The transaction is subject to certain conditions, including regulatory consents and EMI Group shareholder approval, and is expected to be completed by the end of 2000.

AOL to the new AOL Time Warner. The applications filed concurrently herewith seek FCC consent to that transfer. There will be no change in any of the legal entities holding any FCC licenses, and thus all affected licenses will remain in their current names. The structure of the transaction is graphically depicted on Attachment 2.

Under the terms of the Agreement, Time Warner and AOL stock will be converted to AOL Time Warner stock at fixed exchange ratios. Upon consummation of the merger, current Time Warner shareholders will receive 45% of the stock of AOL Time Warner, and current AOL shareholders will receive 55%, each on a fully diluted basis. Stephen M. Case will serve as a Chairman, Gerald M. Levin will serve as Chief Executive Officer, Ted Turner will serve as Vice Chairman, Richard Parsons and Robert Pittman will serve as Co-Chief Operating Officers and J. Michael Kelly will serve as Chief Financial Officer of AOL Time Warner. The initial Board of Directors of AOL Time Warner will consist of sixteen members, eight of whom will be designated by Time Warner and eight by AOL.

III. THE MERGER OF AOL AND TIME WARNER WILL GREATLY BENEFIT CONSUMERS

As set forth below, the merger of AOL and Time Warner -- widely heralded as a groundbreaking marriage of new and traditional media -- will result in significant benefits for consumers and thereby advance important public policy goals. In particular, the combination of the parties' strengths in providing consumer-friendly Internet services and a rich array of content of all types means that the merged company will be able to bring wholly new interactive services and products to the marketplace more quickly than either could do apart. In addition, the parties

expect and intend that this transaction will move the marketplace to resolve the ongoing debate concerning open access on cable broadband systems.

A. The FCC's Public Interest Standard

Under sections 214 and 310 of the Communications Act, the Commission must approve transfers of licenses and authorizations upon a finding that the "public interest" would be served thereby. For the vast majority of proposed transfers -- those that "could not frustrate or undermine [its] policies" -- the Commission concludes that "no inquiry is necessary."³ Rather, once it has satisfied itself that the transferee is financially and legally qualified, such transfers are routinely approved.

For certain mergers, however, the Commission has applied a standard first articulated in the *Bell Atlantic/NYNEX* decision.⁴ Under that standard, the Commission considers whether "the merger violates our rules, or would otherwise frustrate our implementation or enforcement of the Communications Act and federal communications policy."⁵ In such cases, the Commission "weigh[s] any potential competitive harms and benefits to determine whether the proposed transaction would promote the public interest."⁶

³ *Application for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Tele-Communications, Inc., Transferor to AT&T Corp., Transferee*, Memorandum Opinion and Order, FCC 99-24 (rel. Feb. 18, 1999) ("*AT&T/TCI Order*") at ¶ 16.

⁴ *Bell Atlantic/NYNEX Order*, 12 FCC Rcd. 19985, 20008-9 (1997). It has long been recognized that the Commission's authority to consider competitive issues is entirely discretionary. Thus, in practice, the Commission has applied its *Bell Atlantic/NYNEX* analytical framework selectively.

⁵ *AT&T/TCI Order* at ¶ 14.

⁶ *Id.* at ¶ 15.

The Applicants respectfully submit that this merger falls comfortably within the vast majority of transfer applications that are filed with the Commission and routinely approved for several reasons, principally because the merger plainly "could not frustrate or undermine [the Commission's] policies."

First, the Applicants' assets and businesses are almost entirely complementary, as shown in section I above. There is therefore no loss of actual or potential competition and no inconsistency with the Act's pro-competitive goals.

Second, in the only service areas where there may be either any horizontal overlap or vertical relationship between AOL's and Time Warner's businesses, there is no appreciable prospect of any competitive harm:

- AOL and Time Warner each provide Internet access services. There are thousands of competitors in this field, however, and the merged company will have no ability or incentive to raise prices or restrict output. Currently, Road Runner has exclusive rights to offer Internet access service over certain Time Warner cable systems. Thus, as explained herein, the merged company's commitment to provide access will further expand the opportunities for competing Internet Service Providers ("ISPs") to serve Time Warner's cable subscribers.
- AOL and Time Warner both provide content over the Internet. In doing so, of course, they compete against legions of other content providers, many of whom offer their products over a multitude of delivery platforms other than the Internet. Consequently, there is no conceivable way that the merged company could reduce the availability or diversity of content. To the contrary, as explained

below, the Applicants intend to provide their customers the broadest possible array of appealing content, regardless of the source.⁷

- Time Warner is a major cable system operator, but AOL is not a multichannel video programming distributor. AOL's minority interest in the ultimate parent of DirecTV is not attributable, and AOL has no role in controlling or influencing DirecTV's marketing, pricing, or business strategies. Moreover, AOL's investment in Hughes demonstrates its dedication to a multiple platform data delivery strategy that maximizes competition and consumer choice.

Third, the merger will directly and substantially advance the Commission's policy goal of maximizing consumer choice on broadband cable networks through the marketplace. As explained in section III.C, just as the merged company will expect that its content and services will be available directly to subscribers of other next-generation platforms, so too will it embrace choice on its own cable systems.

Notwithstanding the utter absence of potential competitive or consumer harm resulting from their merger, AOL and Time Warner recognize that a transaction of this size inevitably will attract scrutiny and interest from both the Commission and the public at large. Consequently, while the Applicants do not believe that an expansive inquiry is either necessary or appropriate, we will demonstrate herein that our merger nevertheless readily satisfies even the *Bell Atlantic/NYNEX* standard.⁸

⁷ The Applicants also note the Communications Act's direct obstacle to any Commission assertion of jurisdiction over issues relating to the provision of content over the Internet. *See, e.g.*, 47 U.S.C. § 230(b) ("It is the policy of the United States ... to preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by Federal or State regulation.").

⁸ By doing so, the Applicants do not waive their rights to challenge the Commission's jurisdiction to review this merger in whole or in part or to challenge specifically the application of the *Bell Atlantic/NYNEX* analysis to this transaction. Indeed, the parties understand that the
(continued...)

Specifically, as we show in the remainder of section III, our merger will directly produce substantial and wide-ranging benefits to the public. In section IV, we explain why the merger will have no deleterious effect on competition in the provision of Internet services or multi-channel video programming services. The public interest calculus is therefore clear: our merger easily meets whatever standard the Commission employs in discharging its obligations under sections 214 and 310 of the Act.

B. Together AOL and Time Warner Will Spur The Rapid Development of the Next Generation of Broadband Services and Content

The marriage of AOL and Time Warner will help make tangible -- in a way finally meaningful to consumers -- the long-abstract visions for next-generation technology as an unparalleled source of information, entertainment, communications, and e-commerce opportunities for the 21st century. Together, AOL and Time Warner will have the experience, the incentive, and the resources necessary to develop an array of exciting new services and products in an unpredictable and risk-intensive marketplace.

In their joint announcement of the merger, leaders of the two companies made plain that the rapid development of new services and products will be the paramount goal of the new company. As AOL Chairman and CEO Steve Case explained, "[b]y joining forces with Time Warner, we will fundamentally change the way people get information, communicate with others,

(...continued)

Commission's new *Bell Atlantic/NYNEX* standard of review has not specifically been passed upon by any court.

buy products and are entertained -- providing far-reaching benefits to our customers and shareholders."⁹ Time Warner Chairman and CEO Gerald Levin noted that "[t]he digital revolution has already begun to create unprecedented and instantaneous access to every form of media and to unleash immense possibilities for economic growth, human understanding and creative expression. AOL Time Warner will lead this transformation, improving the lives of consumers worldwide."¹⁰

AOL and Time Warner firmly agree that the Internet of the future must be more than a faster version of the Internet of today. Rather, if broadband is to gain widespread acceptance, it must give consumers exciting and new -- yet still easy to use -- forms of the content and services that they either value today or hope to find tomorrow. That's why this merger offers consumers so much: it will generate new, enticing next-generation products and services as a natural by-product of the melding of the two companies' cultures and expertise.

- AOL has been the leading proponent (and most successful practitioner) of making the online world easy for, and relevant to, consumers who are *not* computer experts. The company has led the way in transforming the web from the narrow realm of "early adopter" technologists into a true mass market medium, providing millions of people from all walks of life with their first online experience. This was true when the World Wide Web offered only text and slow-to-materialize graphics, and it will remain true in a broadband future promising ubiquitously available, full-motion video and high-fidelity music.
- Time Warner has a proven track record in producing high quality, widely popular content across all traditional media, including print, audio, and video, as well as a commitment to rolling out next-

⁹ Joint AOL Time Warner News Release, "America Online and Time Warner Will Merge To Create World's First Internet-Age Media And Communications Company," January 10, 2000.

¹⁰ *Id.*

generation services for its cable subscribers. This merger will accelerate the digital transformation of Time Warner and thereby give its creative and content businesses the widest possible canvas.

Post-merger, the combined AOL Time Warner will be well-positioned to deliver unprecedented consumer value across rapidly converging media platforms, thereby taking full advantage of the emergence of the Internet and the ongoing digital revolution. The merged company will do so by building on the highly regarded content library and brands of Time Warner to develop top quality multimedia content and consumer services made exciting and easy to enjoy through AOL's proven ability to bring the wonders of the Internet to everyday people.

Significantly, AOL Time Warner will be able to maximize the potential of broadband technology to deliver next-generation branded content at the highest possible speed. Indeed, the combination of AOL and Time Warner will accelerate the transformation of broadband from potential to reality, giving consumers increased options for high-speed Internet access and new means to receive the content they want and need. The merger will also act as a catalyst for the development of the next generation of multi-media interactive services.

The combination of AOL and Time Warner assets will create new and enhanced opportunities for domestic and international growth in interactive, rich media forms of entertainment, news, online services, publishing, music, film distribution, and the delivery of a whole host of exciting communications and information services. Of particular note, the parties will maximize a renowned resource of journalistic talent, technology, and expertise, thereby transforming how consumers access and use news content. In so doing, of course, the merged

entity has every incentive to safeguard zealously Time Warner's reputation in the marketplace for the quality and integrity of its creative and journalistic product.

AOL Time Warner will remain committed to closing the digital divide. Anyone with even a passing acquaintance with the problems our inner-city schools face and the burdens shouldered by overworked, underpaid teachers knows that the digital divide presents a crucial challenge to the government and private sectors alike. AOL and Time Warner will work together to provide parents, teachers and schools with unprecedented tools and content for educating the nation's youth and bringing the digital revolution to every child and into every home and school. The synergies resulting from the combination of AOL and Time Warner are certain to hasten the deployment of broadband, interactive networks and thereby make substantial progress in closing the digital divide.

AOL Time Warner also has every incentive to draw on its Internet marketing and technological expertise to ensure that the merged company's new, high-quality content and interactive services are widely accessible and attractive to all potential users. Likewise, AOL Time Warner will actively promote its services by providing its customers, wherever they are located, with the highest quality, most diverse, and most relevant content possible, regardless of source and via a multiplicity of platforms.¹¹ The merger of AOL and Time Warner will also expand Internet communication, interactivity, and convenience to devices beyond the personal

¹¹ Analysts are predicting that the new company's development of new interactive services and products will encourage competitors to move more quickly to develop new broadband products and services of their own. *See, e.g.*, D. Ian Hopper, "Merger may allow more users to taste fruits of broadband," January 10, 2000, available at www.news.com. Such analysts believe that this transaction will have a positive ripple effect on the speedy emergence of interactive services industry-wide.

computer, such as the television, the wireless telephone, personal organizers, and other companion devices.

Similarly, AOL and Time Warner clearly recognize that the interests of the merged entity would hardly be served if consumers were able to obtain Time Warner's content and services only over cable systems. Accordingly, this merger will in no way undermine the "AOL Anywhere" mission to reach consumers over the widest possible array of delivery systems. Time Warner's cable systems reach less than 20 percent of the nation's homes passed by cable, and more than 35 percent of the homes passed by Time Warner's systems choose not to subscribe. Given these facts, AOL Time Warner has no rational economic incentive to limit the distribution of the AOL service and will need use of alternative means -- including unaffiliated cable systems, DSL, satellite, and wireless -- to make its services available as widely as possible, including within its cable services areas.

Indeed, it is well understood that consumer interest in innovative and enticing online offerings will inevitably have a direct, positive impact on broadband penetration and deployment across platforms. By driving consumer demand through user-friendly access to broadly appealing innovations in online offerings, AOL Time Warner will help to fuel the broadband penetration

and deployment that forward-looking policymakers have sought to promote.¹² Such a speedy roll-out will ultimately serve U.S. competitive interests as well.¹³

AOL and Time Warner both believe that they can deliver these benefits to the marketplace more quickly as a merged entity than either could do on its own. Although the development of broadband products and services already is a consuming goal for scores of providers and would-be entrants, the risks in this new marketplace remain high. As most observers of the marketplace understand, joint ventures or even looser cooperative arrangements inevitably founder as each participant seeks to shift risks to the other. While no one can reliably predict what services or applications will succeed in the broadband future, AOL Time Warner, by internalizing the substantial risks of trying to develop innovative products that consumers want, will enhance the chances for success -- all to the benefit of the consumer.

Without a doubt, these goals dovetail with service in the public interest. Because they also serve the parties' joint business objectives, the Commission can be assured that the merged entity has appropriate incentives to adhere to them.

C. The Merger Will Lead to a Marketplace Solution to the "Open Access" Issue

The Commission has been very clear that its vision for cable "open access" had two fundamental components: one, choice among multiple ISPs should be provided; and, two, that result should be accomplished in the marketplace. In the absence of progress in the marketplace, AOL in

¹² See, e.g., *AT&T-TCI Order* at ¶ 62 (referencing the Commission's "goal of encouraging deployment of broadband capabilities").

¹³ See U.S. Government Working Group on Electronic Commerce, *Towards Digital eQuality*, 2nd Annual Report (December 1999).

earlier proceedings urged a more pro-active Commission approach. With this merger, however, AOL and Time Warner are now joining together to solve this issue in the marketplace. And in so doing, the parties seek to ensure that recent marketplace movements will indeed be driven home.

With this transaction, AOL and Time Warner mutually commit to further the Commission's vision of a marketplace solution whereby consumers have the choice of multiple ISPs over broadband cable systems. The firm commitment embraced by AOL Time Warner to implement a technical and economic model whereby multiple ISPs can be made available over a cable system's broadband infrastructure has emanated from an historic confluence of market forces, technological advances and consumer demand.

To be sure, there are significant details surrounding the implementation of a multiple ISP approach over cable systems which need to be worked out. Legitimate technological hurdles must -- and will -- be overcome. Existing contractual relationships need to be accounted for. But AOL and Time Warner have embarked on an irreversible process of achieving solutions to these problems. Not only will these solutions be implemented on Time Warner's systems, but AOL and Time Warner expect that this merger will also lead other companies operating broadband platforms to provide consumers with real choice.

In short, AOL Time Warner is committed to maximizing diversity of content and consumer choice on the Internet. This commitment reflects the undeniable fact that consumer demand has and will continue to drive the Internet phenomenon. As Chairman Kennard has noted, "Those early adopters who are going to migrate from the narrowband world to the

broadband world grew up in a culture of openness on the Internet. They are going to insist that they have that same culture of openness in the broadband world."¹⁴

Given what this merger means for achieving the desired marketplace solution, the Commission can gain new confidence in its reliance on the marketplace to achieve these goals.¹⁵ Granting this merger will enable AOL Time Warner to fulfill that goal and to set the standard that others will be compelled -- by market forces -- to follow.

IV. THE MERGER OF AOL AND TIME WARNER WILL CREATE NO ADVERSE COMPETITIVE EFFECTS

In striking contrast to the substantial benefits flowing from the merger, there is no credible risk that the merged company could impede competition. First, this merger is, like the FCC found in AT&T/TCI, virtually devoid of any horizontal consequences. Simply put, while AOL and Time Warner each provides a broad array of services, they compete almost entirely in non-overlapping lines of business. Moreover, to the extent there is any overlap in the provision of Internet-related services, the Commission found just last year that "there are a large number of firms providing Internet access services in nearly all geographic markets in the United States, and these markets are quite competitive today."¹⁶ With respect to multichannel video programming

¹⁴ Remarks of William E. Kennard at the NATOA 19th Annual Conference (Sept. 17, 1999), available at www.fcc.gov/kennard.

¹⁵ As Chairman Kennard said recently, [w]e should resist the urge to regulate because I think that it is likely that the market will sort this out. You need regulation when market-based incentives are not aligned with the needs of consumers. . . . But I believe that there are market incentives that will drive openness in the broadband world. *Id.*

¹⁶ *AT&T-TCI Order* at ¶ 93.

distribution, there is simply no risk that AOL's limited interest in General Motors Corporation, when combined with Time Warner's cable system ownership, could adversely affect consumers. Finally, as explained clear in section III, the vertical effects of this merger will be entirely positive.

Internet-related services. As the Commission is well aware,¹⁷ thousands of entities offer Internet access and/or Internet content across the nation. Some of the largest ISPs include AOL, EarthLink, AT&T Worldnet, MSN, Bell Atlantic, GTE, SBC, Prodigy, PSINet, Erols, Covad, and RCN. Many more providers are beginning to emerge, with the development of wireless and satellite technology to access the Internet and compete with the current telephone and cable alternatives.¹⁸ In addition, the two largest cable companies-- AT&T and, with this merger, Time Warner -- have announced that they voluntarily will begin to offer opportunities for multiple ISPs once certain exclusive contractual obligations expire.

¹⁷ The agency concluded that, despite the AT&T and TCI merger's opposition to open access, the merger was "unlikely to adversely affect the public interest in a competitive market." *Id.* at ¶ 94.

¹⁸ While some wireless and satellite providers have already begun to offer service, most are expected to enter en masse by this time next year -- easily within the relevant two-year time frame to be considered potential competitors for purposes of this merger review.

Due to the ownership structure and the small size of Road Runner,¹⁹ as well as the differences between AOL's and Road Runner's product offerings, this merger will produce no adverse competitive impact on Internet access. Any alleged incremental effect on horizontal concentration would be insignificant. Thousands of ISPs compete aggressively. Regardless of how the services offered by AOL and Road Runner are viewed in relation to each other, this merger raises no new concerns of coordinated anticompetitive behavior. In short, the merger makes no appreciable competitive change. Further, the company's commitment to offering multiple ISPs will, in fact, expand opportunities for unaffiliated ISPs.²⁰

Similarly, there is no tenable argument that this merger would adversely affect the provision of Internet content.²¹ As the FCC has recognized, the Internet has created an unparalleled "marketplace of ideas" -- a realm of such diverse content and massive audience that

¹⁹ Road Runner is a joint venture among affiliates of Time Warner Inc., MediaOne Group, Microsoft Corp., Compaq Corp. and Advance/Newhouse. Time Warner's effective ownership share of Road Runner is less than 40 percent, and management is shared among the partners pursuant to the terms of the operative partnership agreement. Moreover, Road Runner currently provides Internet access to 555,000 customers, a *de minimus* fraction of U.S. Internet users.

²⁰ Road Runner is a joint venture among affiliates of Time Warner Inc., MediaOne Group, Microsoft Corp., Compaq Corp. and Advance/Newhouse. Time Warner's effective ownership share of Road Runner is less than 40 percent, and management is shared among the partners pursuant to the terms of the operative partnership agreement. Moreover, Road Runner provides Internet access to 555,000 customers, a *de minimus* fraction of U.S. Internet users.

²¹ The Commission has never ruled that there is a separate "Internet content" market. Indeed, it would be difficult even to arrive at such a definition when so much content is generated by users themselves. Further, much of the content provided over the Internet is or readily could be made available over other delivery platforms (such as television, newspapers, radio, and magazines). Thus, any horizontal effects of the merger are further diluted. In any event, the Commission has never seen fit to exercise -- and, appropriately, has never claimed -- jurisdiction over content supplied over the Internet. See n.7, *supra*.

no voice need go unheard. The lack of barriers to creating and distributing Internet content has allowed this medium to flourish.²²

The merging parties each offer original Internet content. However, no matter how valuable their content could be, the extraordinary numbers of providers and the incalculable amount of content ensure that combining the ownership of these assets will have no negative impact on the wealth of content available over the Internet. Not only are there many other places on the Internet to obtain comparable content, but there is a wealth of non-Internet media through which consumers can obtain the same information as well as adequate substitutes, including print, radio, television, and movies.

In any event, AOL and Time Warner have every intention *and* economic interest (1) to make AOL Time Warner content easily accessible to consumers, and (2) to ensure AOL Time Warner Internet access subscribers can readily reach any Internet content they desire. As a rich array of differentiated Internet services and content have flourished in narrowband, so too are we intent on seeing a flourishing broadband marketplace.

²² As an FCC analysis has stated: "The success of the Internet has not been an accidental development. Market forces have driven the Internet's growth, and the FCC has had an important role to play in creating a deregulatory environment in which the Internet could flourish." *The FCC and the Unregulation of the Internet*, OPP Working Paper Series No. 31 (July 1999). See, e.g., *Application of WorldCom, Inc. and MCI Communications Corporation for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.*, CC Docket No. 97-211, FCC 98-225, ¶ 142 (1998) ("We seek not to regulate the Internet, but rather to ensure that Internet services, which rely on telecommunications transmission capacity, remain competitive, accessible, and devoid of entry barriers.")

Multichannel Video Programming Distribution ("MVPD") Services. The merger of AOL and Time Warner will not impede competition among MVPDs. Time Warner has both direct and indirect controlling interests in numerous cable systems.²³ AOL, despite its investment in the ultimate parent of DirecTV, General Motors Corporation ("GM"),²⁴ is neither an actual nor a potential competitor of Time Warner. First, AOL's total interest in GM is far too insubstantial to be deemed attributable under *any* FCC attribution standards. As a result, AOL has no ability to influence the decision-making of DirecTV in any way. Second, AOL's investment in GM is *pro-competitive*, in that it is specifically and exclusively tailored to spur the development of two-way satellite broadband capability, one of a broad range of broadband alternatives (*e.g.*, cable, xDSL, etc.) to which the merger parties are committed.²⁵

V. PROCESSING PROCEDURES

Given the scope of the underlying transaction, the likelihood that additional authorizations will be acquired pending the Commission's consideration of these applications, and in accordance

²³ Substantially all of Time Warner's cable systems (which serve approximately 13 million customers) are held in Time Warner Entertainment Company, L.P. (in which Time Warner has a 74.49% interest). A small number of systems, however, are held directly by Time Warner Inc. (which serve approximately 1.8 million of Time Warner's total subscribers).

²⁴ DirecTV, Inc. is a unit of Hughes Electronics Corporation which, in turn, is a unit of General Motors Corporation.

²⁵ In addition, Time Warner faces significant competition from a wide range of rival distributors of multichannel video programming services in its local franchise areas. These include direct broadcast satellite ("DBS") providers, multichannel multipoint distribution services ("MMDS"), satellite master antenna television ("SMATV") providers, incumbent local exchange carriers ("ILECs"), and cable overbuilders, among others. In particular, DBS has been an especially significant competitive alternative.

with past Commission practice with regard to analogous situations,²⁶ the parties hereby request that the grant of the above-referenced applications include the authority for AOL Time Warner Inc. to acquire control of:

1. Any authorization issued to any affiliate or subsidiary of Time Warner during the Commission's consideration of the transfer of control applications and the period required for consummation of the transaction following Commission approval;
2. Construction permits held by licensees involved in this transfer of control that mature into licenses after closing and that may have been omitted from the transfer of control applications; and
3. Applications that have been filed by such licensees and that are pending at the time of consummation of the proposed transfer of control.

VI. CONCLUSION

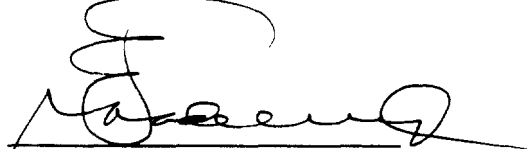
The instant transfer applications should receive the Commission's enthusiastic and expeditious approval. The sooner our two companies can integrate their expertise, diverse strengths, and resources, the sooner we can make good on the promise of broadband technology as an unparalleled source of multimedia information and entertainment and a user-friendly platform for electronic commerce. This incontrovertible public interest benefit is undiluted by any risks to competition. To the contrary, the merger will sharpen the competitive edge of companies supplying a multitude of products and services, stimulating enhanced innovation and creativity industry-wide.

²⁶ See, e.g., *AT&T/TCI Order* at ¶ 156.

For these reasons, our merger easily satisfies any public interest inquiry. The Commission should promptly approve the instant transfer applications. Undersigned counsel have read the foregoing Public Interest Statement and to the best of such counsel's knowledge, information and belief formed after reasonable inquiry, this submission is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification or reversal of existing law, and is not interposed for any improper purpose.

Respectfully submitted,

AMERICA ONLINE, INC.

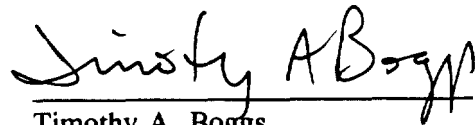


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February 11, 2000

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1. Television Broadcast Station**SUPERSTATION, INC.**

CALL SIGN	FACILITY ID	TYPE OF STATION	LOCATION
WTBS(TV)	64033	Television Broadcast	Atlanta, GA

2. Broadcast Auxiliary Service Stations Associated With WTBS(TV)**SUPERSTATION, INC.**

CALL SIGN	FILE NUMBER	TYPE OF STATION	LOCATION
KA-59298	801201ND	Television Pickup	Washington, DC
KA-59376	801201NC	Television Pickup	Washington, DC
KA-59393	801201NA	Television Pickup	Washington, DC
KA-59401	801201MU	Television Pickup	New York, NY
KA-59457	801201MV	Television Pickup	New York, NY
KA-60809	801201MW	Television Pickup	New York, NY
KA-61216	801201MX	Television Pickup	New York, NY
KA-61419	801201MZ	Television Pickup	Washington, DC
KA-74707	810619ML	Television Pickup	Los Angeles, CA
KA-74708	810619MM	Television Pickup	Los Angeles, CA
KA-74709	810619MK	Television Pickup	Los Angeles, CA
KA-74710	810619MJ	Television Pickup	Los Angeles, CA
KA-74711	810619MI	Television Pickup	Los Angeles, CA
KQ-5650	810305MD	Television Pickup	Atlanta, GA
KQ-5651	810305ME	Television Pickup	Atlanta, GA
KQ-5655	810305MF	Television Pickup	Atlanta, GA
KQ-5660	810305MG	Television Pickup	Atlanta, GA
KQ-5661	810305MH	Television Pickup	Atlanta, GA
KQ-5670	810305MI	Television Pickup	Atlanta, GA
KR-4732	810403ME	Television Pickup	Chicago, IL
KR-4739	810403MF	Television Pickup	Chicago, IL
KR-4740	810403MG	Television Pickup	Chicago, IL
KR-4741	810403MH	Television Pickup	Chicago, IL
KR-4744	810403MI	Television Pickup	Chicago, IL
KR-4793	801201MY	Television Pickup	New York, NY
KR-4794	801201NB	Television Pickup	Washington, DC
KR-7885	791226MA	Television Pickup	Washington, DC
KR-7887	791226MB	Television Pickup	Atlanta, GA
KR-7891	791226MC	Television Pickup	Washington, DC
KR-7892	791226MD	Television Pickup	Washington, DC

CALL SIGN	FILE NUMBER	TYPE OF STATION	LOCATION
KR-7893	791226ME	Television Pickup	Washington, DC
KR-7896	791226MF	Television Pickup	Atlanta, GA
KS-2216	800104MS	Television Pickup	New York, NY
KS-2217	800104MR	Television Pickup	New York, NY
KS-2221	800104MQ	Television Pickup	New York, NY
KS-2222	800104MP	Television Pickup	New York, NY
KS-2229	800328MG	Television Pickup	Chicago, IL
KS-2231	800328MH	Television Pickup	Chicago, IL
KS-2235	800328MI	Television Pickup	Chicago, IL
KS-2240	800328MJ	Television Pickup	Chicago, IL
KS-2255	800423MB	Television Pickup	Dallas, TX
KS-2898	800423MC	Television Pickup	Dallas, TX
KS-2899	800423MD	Television Pickup	Dallas, TX
KS-2901	800423ME	Television Pickup	Dallas, TX
KS-2902	800423MF	Television Pickup	San Francisco, CA
KS-2903	800423MG	Television Pickup	San Francisco, CA
KS-2905	800423MH	Television Pickup	San Francisco, CA
KS-2909	800423MI	Television Pickup	San Francisco, CA
KS-2910	800423MJ	Television Pickup	Los Angeles, CA
KS-2913	800423MK	Television Pickup	Los Angeles, CA
KS-2914	800423ML	Television Pickup	Los Angeles, CA
KS-2915	800827MK	Television Pickup	Los Angeles, CA

3. Unassociated Broadcast Auxiliary Service Stations

CNN AMERICA, INC.

CALL SIGN	FILE NUMBER	TYPE OF STATION	LOCATION
BLP-00999	910927MB	Auxiliary Low Power	Los Angeles, CA
BLP-00976	9909D132007	Auxiliary Low Power	Los Angeles, CA
KC-23100	502573	Remote P/U	Los Angeles, CA
KPF-404	901116ML	Remote P/U-Auto Relay	Miami, FL
KPF-408	9501901116	Remote P/U-Base/Mobile	Miami, FL
KPF-432	910322MC	Remote P/U-Auto Relay	San Francisco, CA
KPG-344	9309480509	Remote P/U-Mobile Relay	Los Angeles, CA
KPG-532	9309480510	Remote P/U-Mobile Relay	Los Angeles, CA

CALL SIGN	FILE NUMBER	TYPE OF STATION	LOCATION
KPH-396	9309480507	Remote P/U-Base/Mobile	Los Angeles, CA
KPJ-799	9409480968	Remote P/U-Base/Mobile	New York, NY
KPK-264	9509481378	Remote P/U-Mobile Relay	Washington, DC
KPK-267	9404480787	Remote P/U-Base/Mobile	New York, NY
KPK-273	9509481382	Remote P/U-Base/Mobile	Washington, DC
KPK-944	9303480506	Remote P/U-Mobile Relay	Los Angeles, CA
KPL-510	9409480969	Remote P/U-Base/Mobile	New York, NY
KPM-430	9212480083	Remote P/U-Auto Relay	Little Rock, AR
KPM-603	9405480796	Remote P/U-Base/Mobile	New York, NY
KPM-672	9603D028479	Remote P/U	Chicago, IL
KPM-676	9603D028480	Remote P/U	Chicago, IL
KPM-680	9603D028481	Remote P/U	Washington, DC
KPM-684	9603D028483	Remote P/U	Washington, DC

CABLE NEWS NETWORK LP, LLP¹

CALL SIGN	FILE NUMBER	TYPE OF STATION	LOCATION
KB-55707	870901MJ	Remote P/U-Mobile	Atlanta, GA
KPH-607	870901MI	Remote P/U-Auto Relay	Atlanta, GA
KPH-611	870901MH	Remote P/U-Auto Relay	Atlanta, GA

113653

¹ This entity was previously known as Cable News Network, Inc. Pursuant to an internal restructuring, the licensee was converted into a Delaware limited liability limited partnership. It remains owned, directly and indirectly, by Turner Broadcasting System, Inc., which is owned directly and indirectly by Time Warner Inc.

Section 214 Authorizations

Holder of Authorization	File Number
Time Warner Telecom Inc.	I-T-C-96-688
Time Warner Connect of San Antonio, Inc.	I-T-C-96-078

Domestic Fixed Satellite Service (Part 25)

<u>Licensee</u>	<u>Call Signs</u>
Time Warner Entertainment Company, L.P.	E4063; E910207; E930421; E930422
Time Warner Entertainment- Advance/Newhouse Partnership	E990035; E990041
Turner Broadcasting System, Inc.	E920013; E980173; E980181
Turner Teleport, Inc.	KA58
Cable News Network LP, LLLP	E2001; E890835; E861053; E880870; E890577; E890834; E890836; E900975; E930204; E940420; E940421; E940422; E950363; E970490; E990281; E990282

Low Power Television (Part 74)

<u>Licensee</u>	<u>Call Sign</u>	<u>Location</u>
Time Warner Entertainment- Advance/Newhouse Partnership	W34AX	Henderson, NC

Aviation Services (Part 87)

<u>Licensee</u>	<u>Call Sign</u>
Time Warner Inc.	28032FLT

Cable Television Relay Service (Part 78)

<u>Licensee</u>	<u>Call Sign</u>
Cablevision Industries, Inc.	WHZ-685; WHZ-239; WHZ-502 WAD-241
Century Venture Corporation	WHZ-810; WLY-436; WHZ-971; WAW-505; WGZ-277
CNN America, Inc.	WHZ-931
Florida Cablevision Management Corp.	WLY-604
Kansas City Cable Partners	WLY-353; WHZ-921; WGW-207; WAE-602; WGW-219; WGW-220
KBL Cablesystems of Minneapolis, Inc.	WHZ-238
KBL Cablesystems of the Southwest, Inc.	WHZ-244
Massachusetts Cablevision Systems Limited Partnership	WAL427; WAY-894; WBB-813
Paragon Communications	WHZ-373; WGZ-435; WGV-525; KN-5098; WHW-60; WAF-665
Staten Island Cable, L.L.C.	WHZ-455
Texas Cable Partners	WHZ-504; KYZ-22; WMC-696; WHZ-677; WGI-758; WHZ-780; WJI-36; WLY-483; WGI-756; KOD-36; KA-80625; KYX-62; WGI-757; WHZ-869; KYX-61; KOD-31; WAF-861; WBH-846; KOD-35; WGI-755
Time Warner Cable of Southeastern Wisconsin, L.P.	WLY-245; WHZ-447; WGZ-421
Time Warner Entertainment Company, L.P.	WBM-740; WAE-470; WAX-743; WAB-577 WHZ-819; WLY-683; WLY-240; WAE-478; WBM-744; KA-80614; WGV-848; WHZ-876;

WAV-644; WAN-954; WLY-248; WLY-713;
 WLY-684; WAN-953; WDB-613; KA-80615;
 WAB-578; WLY-402; WLY-415; WLY-409;
 WLY-678; WLY-685; WBM-738; WBM-742;
 WHZ-617; WBD-612; WHZ-728; WRC-25;
 WRC-23; WLY-703; WRC-24; KZW-67;
 WBL-521; WBK-510; WAS-288; WLY-479;
 WAB-572; WHZ-633; WAY-890; WHZ-408;
 WHZ-587; WAY-903; WHZ-437; WHZ-406;
 WHZ-545; WLY-471; WGK-594;

Time Warner Entertainment-Advance/
 Newhouse Partnership

WHZ-982; KA-80616; WLY-462; WHZ-784;
 WHZ-785; KD-55011; WHZ-396; WGZ-487;
 WJZ-652; KD-55009; WLY-330; WLY-331;
 WHZ-882; WLY-554; WGK-590; WAN-337;
 KB-60127; KD-55003; WAF-786; WLY-235;
 WLY-509; WBF-574; WGJ-890; WAJ-761;
 WLY-333; WLY-246; WHZ-394; WHZ-430;
 WHZ-395; WLY-646; WLY-429; WAX-279;
 WAE-564; WHZ-774; WDH-701; WGV-822;
 KA-80624; KD-55017; WBY-600; WAH-212;
 WAH-213; WLY-367; WSV-58; WHZ-585;
 WHZ-339; WSV-56; WAH-228; WCJ-907

TWI Cable Inc.

WGV-526

TWI Summit Cable, Inc.

WHZ-548; WLY-451; WLY-306; KD-55002;
 WGZ-470; WLY-449; WGH-547

Private Land Mobile Radio Services (Part 90)
(Industrial/Business Radio Pool)

Licensee

Call Signs

Alert Cable TV Inc.

KYK615

Alert Cable TV of Oklahoma, Inc.

KWS691

Alert Cable TV of South Carolina, Inc.

KFI554

American Television and Communications
 Corporation

KXL770; WPOD376; WPKX512

Cablevision Industries, Inc.	KNGX578; KZG687; WNBQ659; WPLG759; WYW409
Cablevision Industries Limited Partnership	KNCN337; KNHJ962; WNPB274; WNQW591
Cablevision Industries of Alabama, Inc.	KYD420
CAT Partnership	KRU795
Century Venture Corporation	KA64106; KNEP792; KTG321; KZE460
Community CATV Corp.	WRJ952
Dorchester Cablevision Inc.	WSK244
Erie Telecommunications, Inc.	KNCA620
Fairclark Cable TV, Inc.	KQI872; KRD534
Florida Cablevision Management Corporation	KNFC551; KNFW645; KNDR433; KYY472
Home Box Office	KB51583
HBO Studio Productions	WPLP425; WPVD459
Kansas City Cable Partners	KB76065; KGG787; KTL731; WRU681
KBL Multnomah Cablesystems, Inc.	KVZ416; WNLJ857
KBL Portland Cablesystems, LP	WYJ623
Massachusetts Cablevision Industries, Inc.	WNZV590
Massachusetts Cablevision Systems, LP	KWK997; KYC473; WNFH308; WPIU450; WPKW523
Paragon Communications	KBE579
Texas Cable Partners, L.P.	KFU431; KNCX707; KNEK481; KSX574; KUM850; KUT265; KYK905; WHY70; WNBW218; WNGC750; WNYE223
Time Warner Cable of Avalon, LP	WPMF361

Time Warner Entertainment Company, L.P.

KEA342; KVH947; KLD250; KLD251;
KLD252; KMM421; KRA823; KUB374;
KWR841; KZM402; WPOZ976; WSW583;
WYR362; WNJZ825; WNLY562; WNYF328;
KGE861; KTC582; KKY765; KLA274;
KLX862; KRO751; KRY356; KZA314;
KZS468; WAJ419; WCL262; WPEU802;
WRF320; WSI431; WNQJ943; WNQW368;
KNHW335; WNQZ787; WNVM975;
WPGQ804; WPIA224; WPMD511;
WPMM558; WNWE827; KCG802; KQ3920;
KRK440; KUM645; KUM647; KUM648;
KVM953; WRJ898; WNYP654; KA92056;
KH4695; KNCT853; KNDA607; KNIK355;
WNDG716; WNVD310; WNVW277;
WPLY449; KYK906; KWI239; KUX695;
KW2927; KWE967; KXI775; KYO784;
WQG372; WQL363; KD51495; KNAS483;
KNFB644; KNGZ955; WNFQ711; WNIP733;
WNJF595; KNBW980; KNEX439

Time Warner Entertainment-
Advance/Newhouse Partnership

KFM714; WQP536; WPAV533; KNCH574;
KTO857; WRS860; WPEF662; KNDJ878;
KYB324; WYK776; WPFE250; KNFB231;
KZW413; KA82784; WPFV417; WNLG582;
WPLI586; KNCB356; WPGS403; WNMR964;
WYL931; KNCQ213; WPHM787; WNSL612;
WNDN410; KNEU931; WPJT583; WNVZ523;
WRS64; KNFA911; WPLL555; WNZF562;
WWX55; KNFS485; WPPN885; WPFY815;
WRS63; KNFX911; KSX666; KFW971;
KAL808; KNGD681; WPDm936; KVE408;
KKC390; KNGQ432; KXW245; WQT492;
KNFH709; KNGQ592; KFC257; WXF579;
KWD441; KNGV973; WPJX694; WNBd741;
KXT254; KNHV455; WPJX697; WNMI658;
KZD368; WNBt764; WPJX699; KNEM219;
KZM401; WNCE348; KLN668; WNAP544;
WRG970; WNDF692; KXO253; WRN321;
WNHW741; KBR969; WXC411; WNMS621;
KDQ566; WXQ208; WNNB264; KFX732
KEU343; WNPk412; KGO955; KGG771;
WNQK499; KJO371; KJX393; WNVV681;
KQM415; KKO393; WNWS583; KQQ669;

KLE540; KD49591; KRE807; KP3939;
 KNAA980; KSP492; KRU568; KNAG471;
 KTT329; KST683; KNCD371; KVI925
 KSX886; KNGR354; KXU777; KTB466;
 KNHG678; KXW246; KTK417; KNHQ336;
 KXY286; KTL224; KNIA392; WRJ242;
 KUC787; KNNP318; WSY900; KVI746;
 WNJQ664; WYJ530; K VX621; WNLI265;
 WZH437; WAN551; WNX Y812; WPGE410;
 WDY834; WNZR585; KNAO831; WQA502;
 WPAC931; KNBS523

Time Warner Inc.	KNAX816; KNFA981; WPDJ863, WRR689
Turner Broadcasting System Inc.	WPFF531; WNXV224
TWFanch-one Co.	KLG713; WNHR511; WNMS967; WPFZ212
TWFanch-two Co.	WPJZ742
TWI Cable Inc.	KNHA621
TWI Summit Cable, Inc.	KDP727; WNDP983
Warner Bros.	KPLD733
West Valley Cablevision Industries, Inc.	WNSH254

Fixed Microwave Services (Part 101)

I. Private Operational Fixed Point-to-Point Microwave Service

<u>Licensee</u>	<u>Call Signs</u>
CNN America, Inc.	WNE530; WNTR903; WNTV347; WNTV348; WPOQ933
Superstation, Inc.	WNE539; WNE540
Texas Cable Partners, L.P.	WNEW367; WNEW368; WNEW370; WNTB802

Time Warner Entertainment-
Advance/Newhouse Partnership

WNER856; WNEX324;
WNTF525; WNTL571

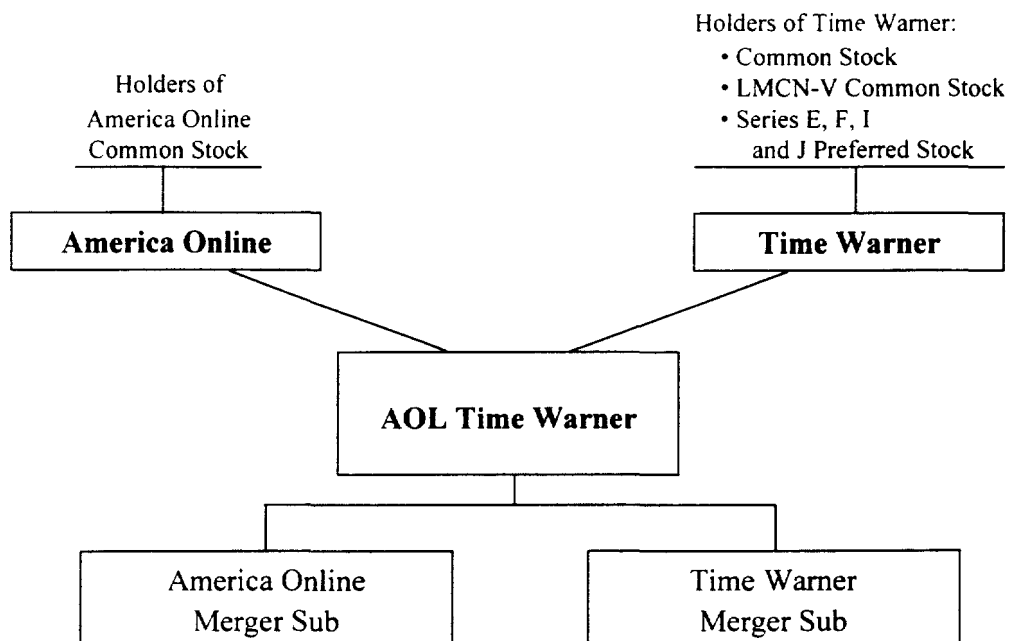
II. Common Carrier Fixed Point-to-Point Microwave Service

<u>Licensee</u>	<u>Call Signs</u>
American Television and Communications Corporation	KAY61; WCG291; WMS745 KCM71; WCG950; WMT279; KCM72; WCU212; WMT280; KCM73; WCU370; WMT517; KCM74; WCU371; WMW651; KCM75; WDU487; WPJC959; KOC70; WHA531; WPJD843; KPR32; WHA532; WPJD844; KPR33; WHC954; WPJD854; KPZ25; WHC955; WPJD855; KYC43; WHE575; WPNB405; KYC44; WHO382; WPNJ386; KYC45; WLB832; WPNL677; KZS97; WLB955; WQR42; WAH469; WLC250 WAN96; WLM267; WAT976; WLN481 WAT977; WLN795; WAT978; WLT956; WAT979; WLT957 WAT980; WLU282; WAT982; WLU363; WAU277; WLU364 WBA757; WLU365; WBA758 WLU649; WBA759; WLV357 WBA760; WLV459; WBA761; WLV582; WBA778; WLV612; WBA868; WLW657; WBA869 WLW691; WBA979; WMJ307 WBB351; WMJ308; WBB352 WMJ750; WBB358; WMK271 WBB360; WML930; WBO58; WMN600; WBO60; WMN601 WCG206; WMN847; WCG255 WMQ497; WCG290; WMQ559
Texas Cable Partners, L.P.	KLH77; KLH78; KLH79

America Online FCC Licenses

CALL SIGN	FILE NUMBER	TYPE OF STATION	LOCATION
KNNW-816	9603D027948	IB	Jacksonville, FL
WPKN-452	9704D076145	IB	Dulles, VA
WPOB-824	9812A030462	IG	Dulles, VA
WPNW-347	9903C010185	IG	Reston, VA
WPKL-592	9702D069509	IB	Jacksonville, FL

OWNERSHIP BEFORE THE MERGER



OWNERSHIP AFTER THE MERGER

